

Debunking the False Claims About North Carolina's HB2 Privacy Protection Law

In March 2016, North Carolina passed a statewide law to protect the privacy, safety, and dignity of its citizens in public schools and other government buildings by ensuring that showers, locker rooms, and restrooms are accessible only to members of the designated sex, while also offering compassionate accommodations to individuals uncomfortable using these communal facilities

Unfortunately, many groups that oppose commonsense privacy protections have peddled false claims about the impact this law has had on North Carolina's economy.

The TRUTH: North Carolina's economy is stronger than ever, and it remains a leading state in the rankings of the best states for business.

Best States for Business: North Carolina's Ranking		
	2015	2016
	#2	#2
	#9	#5
Chief Executive	#3	#3
	#2	#2

- Since HB2 was passed in March 2016, over 5,000 new jobs have been announced for the state.
- State revenues have increased. After HB2 passed, the state ended the fiscal year with a \$425 million budget surplus, and estimates show an expected budget surplus in March 2017 of over \$550 million.
- Moody's reported that North Carolina's 2016 year-to-date revenue growth has outpaced the 20 largest states' average by more than 2-to-1.
- S&P, Moody's and Fitch affirmed North Carolina's AAA credit rating, citing the state's continued diverse economic expansion.ⁱ

And there is perhaps no better measure of the true impact of HB2 on North Carolina's business community than the fact that North Carolina either kept its spot near the top or improved in the rankings of several leading publications as being among the best states for business in the country.ⁱⁱ

In addition, US News & World Report just put out their annual "100 Best Places to Live in the USA" report earlier this week, and NC has Raleigh/Durham at #7 (down from #4 in 2016), Charlotte at #14 (up from #15 in 2016), Winston-Salem at #37 (up from #39 in 2016), and Greensboro at #51 (same as 2016).ⁱⁱⁱ

Even if you took the opposition's estimate (which is grossly overinflated) as true, a loss of \$500 million is less than 1/10th of 1% of North Carolina's \$510 billion economy.

Isn't protecting the privacy, safety, and dignity of our children worth enduring a few threats from outspoken musicians and out-of-state companies?

Didn't Governor Pat McCrory's support of HB2 cause him to lose his re-election?

No. Despite Governor McCrory's loss by just over 10,000 votes (out of 4.7 million votes cast), Republican legislators who passed and publicly supported HB2 maintained their supermajorities in the North Carolina General Assembly. In fact, the GOP gained a seat in both the House and Senate in the November election. If there was a backlash surrounding HB2, the GOP would have lost seats rather than gained seats in the General Assembly.

Notably, other outspoken advocates of HB2 performed extremely well in the November election:

- Lt. Governor Dan Forest, who was the most outspoken proponent and defender of HB2, won his race by over 300,000 votes. He received more votes than Donald Trump, Hillary Clinton, Pat McCrory, Roy Cooper, and most other statewide candidates.
- Similarly, State Senator Dan Bishop, who was the primary sponsor of HB2 in the House in 2016 and lives in Charlotte, won his election to the State Senate by over 13 percentage points.

If there was such displeasure over HB2 among the North Carolina electorate, Lt. Governor Forest and Senator Bishop would not have performed so well.

Rather, there were multiple factors that impacted the Governor's race including:

- An I-77 toll road issue in the Charlotte/Mecklenburg County area (Pat McCrory's hometown). Preliminary data suggests this cost McCrory 30,000 to 50,000 votes, compared to his performance in this area in 2012.
- Significant controversy surrounding the disposal of coal ash in various areas in North Carolina (McCrory was a Duke Energy employee before becoming Governor).

Contrary to what the opposition claims, taking a stand for commonsense privacy protections is a winning issue.

Isn't it true that laws addressing social issues have caused enormous impact in other states? I recently heard that Indianapolis' tourism industry may have lost over \$60 million dollars in 2015 after Indiana passed a religious freedom bill.^{iv}

No. Just days after the tourism board made this claim, it announced that the city "posted new records for convention sales in 2015, securing an estimated \$1 billion in future economic impact."^v The city booked 904,717 future convention hotel room nights. This broke the previous year's record of 880,552 by over 24,000 nights. The city had over 27 million visitors in 2015 resulting in \$4.5 billion in economic impact. Simply put, Indianapolis had its best year ever following passage of a statewide religious freedom bill.

ⁱ Andrew Heath, "Don't believe the hype: HB2 hasn't hurt N.C. economy," THE CHARLOTTE OBSERVER (Aug. 8, 2016) available at <http://www.charlotteobserver.com/opinion/op-ed/article94448907.html#storylink=cpy>.

ⁱⁱ See <http://www.forbes.com/best-states-for-business/>; <http://www.cnbc.com/2016/07/12/the-big-countdown-for-americas-top-state-for-business.html>; <http://chiefexecutive.net/2016-best-and-worst-states-for-business-full-list/>; <http://siteselection.com/issues/2016/nov/cover.cfm>.

ⁱⁱⁱ See <http://realestate.usnews.com/places/rankings/best-places-to-live>.

^{iv} Brian Eason, "Official: RFRA cost Indy up to 12 conventions and \$60M," Indystar.com (Jan. 25, 2016), available at <http://www.indystar.com/story/news/politics/2016/01/25/official-rfra-cost-indy-up-12-conventions-and-60m/79328422/>.

^v Brian Eason, "Visit Indy reports record year for Indianapolis tourism," Indystar.com (Jan. 28, 2016), available at <http://www.indystar.com/story/news/2016/01/28/visit-indy-reports-record-year-indianapolis-tourism/79469860/>.